

28 February 2011

Attention: Public Announcements Officer
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

MPS Contract Awarded

The Company is pleased to announce that the MPS System has been specified for installation into a cable tunnel being constructed as part of the '**Contract for Improvement and Relocation of the Eastern District of Dalian Port in Dalian Liaoning Province, North East China**'. The contract has been awarded to Hydrotech's Agent in Dalian, Dalian Deli Electro Osmosis Waterproofing Technology Limited.

We believe the project represents the largest single installation of an electro osmosis system into a brand new civil engineering structure in the world and is the first MPS project installed into new construction in the People's Republic of China.

The award of this contract is as a result of the successful installation of the MPS System into a trial area which was undertaken to assess the installation methods and performance of the MPS System which was completed in January 2011. The current contract specifies the MPS System to be installed into an area of 40,000m² (approx 3.5km in length of cable tunnel wall) which is a critical section of the tunnel, adjacent to the sea wall. The total area requiring waterproofing in the cable tunnel is 170,000m² (approx 15km and an additional total area equating to 3 times the current contract) and there is strong possibility that the MPS System will be installed for the entire tunnel.

The award of this project will be a major landmark in underlining the suitability of the use of the MPS System in brand new civil structures. It will also attract greater awareness on the use of Hydrotech's MPS System as an effective waterproofing system over conventional structures. It also represents a major breakthrough into infrastructure projects in China and will provide an excellent project reference and case study for other subterranean projects both in China and around the world.

Yours sincerely



Chairman